

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Community and Culture
Division of Housing and Community Development
Salt Lake City, Utah

MINUTES

Thursday, January 15, 2009

Members Present

Gordon D. Walker
Claudia Jarrett
Maloy Dodds
Bevan Wilson
Michael McKee
Joe L. Piccolo
Michael Milovich
Richard Ellis
D. Brad Hancock
Vacant Position
Vacant Position

Chairman
Six County Association of Governments
Five County Association of Governments
State Transportation Commission
Uintah County
State Board of Water Quality
Carbon County
State Treasurer
State Board of Water Resources

Staff and Visitors

Keith J. Burnett
Gayle Gardner
Sanobi Johnson
Luaine Furgason
Keith Heaton
Palmer DePaulis
Thom Roberts
Michael Georgeson
Beth Wondimu
David Cox
Allen Dyreny
Danny Boone
John Iverson
Chesley Christensen
John Christensen
Richard Tatton
Ken Smood
Jeff Richens
Tim Jones
Garrick Willden
Royer Aajiard
Patti Hancock
Ed Shaw
Sean Cho
Joey Allred

Department of Community and Culture
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Attorney Generals Office
Department of Environmental Quality
Department of Environmental Quality
Sanpete Water Conservancy
Sanpete Water Conservancy
Sanpete Water Conservancy
Sunrise Engineering
Mt. Pleasant City
Mayfield Town
Price River Water Improvement District
Price River Water Improvement District
Price River Water Improvement District
Jones & DeMille
Jones & DeMille
Fountain Green City
Roosevelt City
Boss Engineering
Boss Engineering
Canyonlands Health Care SSD

Doug Nielsen
Daren Anderson
Boyd Workman
David Hatch
Gary James
Greg Coleman
Dennis Hiskey
Darwin Jensen
Lynn Wall
Terry Higgs
Robert Barry
Darin Robinson
Eric Johnson
Mark Clark
Curtis Ludvigsen
Roy Barraclough
Verne Murray
Kyle D. Bailey
Doug Case
Mark Coombs
Scott Collard
Doug Willden
Gene L. Ciarus
Dave Sakrison
Jerry C McNeely
Robert Parry
Alex Buxton
Ken Ballantyne

Sunrise Engineering
Ashley Valley Water
Ashley Valley Water
Ashley Valley Water & SID
Marysvale Town
Teasdale Special Service District
Teasdale Special Service District
Twelve Mile Conservancy
Town of Kanosh
Town of Kanosh
DDSSD
Jones & DeMille Engineering
Bond Counsel
Civil Science
Rural Water
Moab Valley Healthcare Inc.
Column Guaranteed Group
Moab City & Canyonlands Health Care SSD
Maeser Water Uintah County
Fountain Green City
Fountain Green City
Mayfield Irrigation Company
Grand County
City of Moab
Grand County
Dixie Deer Special Service District
Zions Public Finance
Grand County

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting was held January 15, 2009, in Salt Lake City, Utah, at the Utah State Library Division and called to order at 8:30 a.m. by Chairman Gordon D. Walker.

BRIEFING

Financial Review

There are sufficient funds in the mineral lease account but not enough in the bonus account to cover the current grant and loan requests in this funding cycle.

Review of Agenda Items

Keith Burnett and Gayle Gardner reviewed the agenda items with Board members.

INTRODUCTIONS

Gordon D. Walker welcomed Richard Ellis as the newest member of the Board. Mr. Ellis has replaced Ed Alter as State Treasurer. Mr. Walker asked the Board members and staff to give introductions.

APPROVAL OF MINUTES

Gordon D. Walker requested a motion to approve the minutes of December 4, 2008.

Claudia Jarrett moved and Maloy Dodds seconded the motion to approve the minutes of December 4, 2008 as amended. The motion carried unanimously.

NEW PROJECTS

1. Price River Water Improvement District (Carbon County)

Price River Water Improvement District presented a funding assistance request for a \$225,000 grant and a \$200,000 loan for 20 years at 0.0% interest (total \$425,000) consisting of water system improvements to include emergency backup power generator and enclosure, waterline replacement and fire hydrant addition, Supervisor Control and Data Acquisition (SCADA) system replacement with county-wide wireless communication equipment and replacement of self-contained breathing apparatus. and sewer system improvements to include reconstructing mainline collector, purchase and install a digested sludge transfer pump and four self-contained breathing apparatus units and facility roof reconstruction and HVAC equipment purchase.

The Board asked the applicant their plans for repayment of the loan. The applicant stated they will pay the loan through water and sewer user fees. The Board stated the district needs to adjust its user rates relative to MAGI to stay consistent with other producing counties. The Board asked the applicant if they could take more loan for this project. The applicant stated yes and the funding request was modified to a \$200,000 grant and a \$225,000 loan for 20 years at 0.0% interest (total \$425,000).

Joe Piccolo moved and Bevan Wilson seconded a motion placing this project on the Priority List for funding consideration at the February 12, 2009 funding as a \$200,000 grant and a \$225,000 loan for 20 years at 0.0% interest (total \$425,000). The motion carried unanimously.

2. Ashley Valley Water and Sewer Improvement District (Uintah County)

Ashley Valley Water and Sewer Improvement District presented a funding assistance request for a \$2,297,540 grant and a \$2,297,540 loan for 20 years at 0.0% interest (total \$4,595,080) to build a 3mg water tank, 10,000 feet of new distribution line to replace old lines with increased size and the installation of fire hydrants and related fittings in the upper zones of Airvillage, Cottonwood Heights and Glines areas.

The Board stated if the applicant changed the terms of the loan from 20 to 30 years they could increase their loan amount without changing their loan payment.

After some discussion the Board modified the funding request to a \$1,200,000 grant and a \$3,400,000 loan for 30 years at 0.0% interest (total \$4,600,000).

Mike Milovich moved and Joe Piccolo seconded a motion placing this project on the Priority List for funding consideration at the February 12, 2009 funding as a \$1,200,000 grant and a \$3,400,000 loan for 30 years at 0.0% interest (total \$4,600,000). The motion carried unanimously.

3. Fountain Green City (Sanpete County)

Fountain Green City presented a funding assistance request for a \$2,380,000 grant and a \$500,000 loan for 25 years at 0.0% interest (total \$2,880,000) to construct a 1,000,000 gallon storage tank on a high elevation, replacing small pipe in the system to improve flow, adding fire hydrants, replacing 8-inch lead jointed ductile iron pipe with PVC and improvements to spring collection system.

The applicant stated they are reaching storage capacity for their current population and the existing tank is dilapidated. To fix the existing tank would cost more than replacing it.

The Board suggested the applicant take more loan for this project and modified the funding request as a \$1,440,000 grant and a \$1,440,000 loan for 30 years at 0.0% interest (total \$2,880,000).

Mike McKee moved and Mike Milovich seconded a motion placing this project on the Priority List for funding consideration at the February 12, 2009 funding meeting as a \$1,440,000 grant and a \$1,440,000 loan for 30 years at 0.0% interest (total 2,880,000).

Claudia Jarrett moved a substitute motion placing this project on the Priority List for funding consideration at the February 12, 2009 funding meeting as a \$1,800,000 grant and a \$1,000,000 loan for 30 years at 0.0% interest (total 2,800,000). The motion died due to lack of second.

The Board then voted on the original motion which passed unanimously.

4. Teasdale Special Service District (SSD) (Wayne County)

Teasdale SSD presented a funding assistance request for a \$1,328,000 grant and a \$420,000 loan for 20 years at 0.0% interest (total \$1,748,000) to add a new 150,000 gallon concrete storage tank, repairs to the existing spring liner and collection box, installation of a disinfection system, construction of a well, upgrade system pipeline from 8" to 12" and the purchase of additional water rights.

The applicant stated there is not enough storage to meet their current needs and spring improvements are needed because of possible contamination.

The Board asked the applicant if they have explored other funding resources and stated they could take more loan for this project. The Board also expressed concerns of this project being too big for this community and its expected growth.

The Department of Environmental Quality stated the storage capacity for this project is 50,000 gallons more than what is required for their system.

After some discussion the Board stated other counties have received half grant and half loan funding for this type of project.

Joe Piccolo made a motion placing this project on the Priority List for funding consideration at the February 12, 2009 funding meeting as a \$1,100,000 grant and a \$650,000 loan for 30 years at 0.0% interest (total \$1,750,000). The motion died due to lack of second.

Mike McKee moved and Brad Hancock seconded a motion placing this project on the Priority List for funding consideration at the February 12, 2009, funding meeting as an \$875,000 grant and an \$875,000 loan for 30 years at 0.0% interest (total \$1,750,000).

During the discussion on the motion additional issues were raised concerning the scope and cost of the project.

Claudia Jarrett moved and Bevan Wilson seconded a substitute motion placing the project on the Pending List for consideration at a future CIB meeting contingent upon additional information regarding this project. The motion carried unanimously.

5. Town of Marysvale (Piute County)

The Town of Marysvale presented a funding assistance request for a \$131,440 grant to construct a new 10" culinary well, 350' deep and a 10 X 10 concrete pump house.

The applicant has submitted this new application to utilize recaptured funds (\$133,802) from a previously approved culinary water project. The original project came in under budget due to relocation of the water storage tank.

The Division of Drinking Water (DDW) concurs that an additional source of drinking water is advisable for Marysvale.

Brad Hancock moved and Joe Piccolo seconded a motion to suspend the rules and fund this request as a \$131,440 grant. The motion carried unanimously.

6. Town of Mayfield (Sanpete County)

The Town of Mayfield presented a funding assistance request for a \$1,448,000 grant and a \$1,209,000 loan for 20 years at 0.0% interest (total \$2,657,000) to build a new 350,000 gallon concrete storage tank, distribution improvements, additional fire hydrants, installation of a radio read meter system, repairs and upgrades to the town's source meters, disinfection system and integration into the Centerfield Regional SCADA.

After some discussion the Board modified the terms of the loan from 20 to 30 years.

Brad Hancock moved and Mike McKee seconded a motion placing this project on the Priority List for funding consideration at the February 12, 2009 funding meeting as a \$1,448,000 grant and a \$1,209,000 loan for 30 years at 0.0% interest (total \$2,657,000). The motion carried unanimously.

7. Sanpete County Water Conservancy District (Sanpete County)

Sanpete County Water Conservancy District presented a funding assistance request for a \$150,000 grant to complete Phase II of the Twelve Mile Canyon water quality study which includes data evaluation/exploration, alternative analysis and alternative selection.

The Board stated the applicant will have to request funding from the Department of Water Resources in addition to funding request from the CIB.

Brad Hancock moved and Joe Piccolo seconded a motion placing this project on the Priority List for funding consideration at the February 12, 2009 funding meeting as a \$150,000 grant contingent upon funding availability and approval of a scope of work by the Division of Water Resources (DWR) for matching funds. The motion carried unanimously.

8. Mt. Pleasant City (Sanpete County)

Mt. Pleasant City presented a funding assistance request for a \$19,000 grant to analyze water rights, water sources, water storage and distribution facilities based on current and projected growth demands.

The applicant has the required \$19,000 cash match for this project.

Maloy Dodds moved and Bevan Wilson seconded a motion to suspend the rules and fund this request as a \$19,000 grant. The motion carried unanimously.

9. Dixie Deer Special Service District (SSD) (Washington County)

Dixie Deer SSD presented a funding assistance request for a \$10,900 grant to conduct a five point analysis to assess population data, water rights, source capacity and treatment, storage capacity and distribution resulting in a list of recommended improvements.

The applicant has the required \$10,900 cash match for this project.

Joe Piccolo moved and Maloy Dodds seconded a motion to suspend the rules and fund this request as a \$10,900 grant. The motion carried unanimously.

10. Canyonlands Health Care Special Service District (SSD) (Grand County)

Canyonlands Health Care SSD presented a funding assistance request for a \$4,950,000 loan for 20 years at 2.5% interest to construct a new 36 bed extended care facility in Moab, Utah.

The applicant stated this facility would be adjacent to the new hospital and having a full continuum of care facility in one location is uncommon. The Board asked the applicant if there are common wall arrangements and if so what effect this would have on the

financing under federal tax code. The applicant stated yes there are, although there is no financial connection between the two facilities. The facility is able to run independently from the hospital.

The CIB staff stated the terms of this loan request could only be 15 years instead of 20 using mineral lease funds. The funding request for the loan terms was modified to 15 years at 2.5% interest.

Mike McKee moved and Joe Piccolo seconded a motion placing this project on the Priority List for funding consideration at the February 12, 2009 meeting as a \$4,950,000 loan for 15 years at 2.5% interest. The motion carried unanimously.

11. Town of Kanosh (Millard County)

The Town of Kanosh presented a funding assistance request for a \$900,000 grant to conduct road repairs to a three quarter mile stretch of 100 North which includes roto-milling 95,000 square feet of existing pavement, mixing with 8,900 tons of road base and laying 4,000 tons of 6" thick asphalt

Richard Ellis left the meeting at this time.

The Board suggested the applicant put a load limit on the road or approach Black Rock Quarry for mitigation regarding the road repairs.

After some discussion the Board suggested the applicant take this funding request as a loan and placed them on the Pending List to determine a revenue source for repayment.

Bevan Wilson moved and Joe Piccolo seconded a motion placing this project on the Pending List for review at a future CIB meeting contingent upon the applicant providing a revenue source for the repayment of the loan. The motion carried unanimously with Richard Ellis absent from the vote.

SPECIAL CONSIDERATION REQUESTS

1. Town of Kanosh (Millard County)

On 8/7/08 the Town of Kanosh presented a funding assistance request for a \$104,000 grant to install six each 40' light poles with associated conduits, trenching, etc. around the ball diamond at the Town Park.

Following discussion with the applicant about cost share and the ability of the applicant to take a loan, the Board authorized a \$75,000 loan for 20 years at 0.0% interest contingent upon the applicant funding the balance of the project.

On 11/11/08 the CIB staff received a letter from the Town of Kanosh requesting time on an upcoming Board meeting agenda to discuss the possibility of downsizing the project and receiving a \$36,000 grant from the CIB in lieu of the originally approved funding package.

Mike McKee moved and Claudia Jarrett seconded a motion to suspend the rules and fund this request as a \$36,000 grant. The motion carried unanimously with Richard Ellis absent from the vote.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be held on February 12, 2009, starting 8:30 a.m., at the Courtyard Marriott, 185 South 1470 East, St. George, Utah.

The meeting adjourned at 12:04 p.m.

Submitted by:
Sanobi Johnson